

**Part 2A of Form ADV: *Firm Brochure***

**Rutherford Asset Planning, Inc.**

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1/1/2017

This brochure provides information about the qualifications and business practices of Rutherford Asset Planning, Inc. If you have any questions about the contents of this brochure, please contact us at 813-343-4501 or [keith@rutherfordasset.com](mailto:keith@rutherfordasset.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Rutherford Asset Planning, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 128036.

## **Item 2 - Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 1/1/2017, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this section will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Updated on 1/1/2017 for Annual Amendment Filing with IARD – No Material Changes

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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#### **Item 4 - Advisory Business**

Rutherford Asset Planning, Inc. is an investment adviser registered with the SEC with its principal place of business located in Tampa, Florida. Rutherford Asset Planning, Inc. began conducting business in 1986.

Listed below are the firm's principal shareholders who own 25% or more of the company:

- Suzzette B. Rutherford
- Ronald K. Rutherford
- Keith A. Amburgey

Rutherford Asset Planning, Inc. offers Investment Management and Other Family Office Services:

##### **Investment Management**

Our firm provides continuous advice and regular supervisory management regarding the investments of client funds based on the client's needs. We begin by getting to know the clients – their family circumstances, their liquidity needs, their dreams for the future and tolerance for risk. We take the time to fully understand the clients' personal and financial situation on every level. We then create a strategy to develop their wealth to its fullest potential.

We agree on a portfolio design at the asset class level, and take discretion with a limited power of attorney about what mutual funds or securities to buy and sell. We do not take possession of, or ask for the authority to withdraw client funds. All client funds are retained with one of the financial institutions that we use as custodians.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., stable income, income, growth and income, growth, or maximum capital appreciation), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations will generally include advice regarding the following securities: exchange-listed securities, securities traded over-the-counter, foreign issuers, certificates of deposit, municipal securities, annuities, mutual fund shares, United States governmental securities, and interests in partnerships investing in real estate, oil and gas interests, equipment leasing, and private equity.

Because some types of investments involve certain additional degrees of risk, they will only be recommended/implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. For alternative investments, the clients must meet either an Accredited Investor Standard or a Qualified Purchaser Standard.

Each year we review the asset allocation and, as needed, redesign the portfolio at the asset class level.

## Other Family Office Services

Overall, we prefer to act in the role of a family office for our client. In that context we tailor and price our services for each client on a fixed fee basis. Examples of these services include:

### Goals Funding

We help clients achieve their financial goals. We start with quantifying their goals (e.g. retirement, daughter's wedding, grand vacation, etc.). We then ascertain their current financial situation, which includes – their assets and liabilities, income and expenses, insurance coverages, and estate plan. We determine the variables that impact their future financial situations (e.g. expected salary increases, retirement income, planned future expenses, health issues, etc.). Using our financial planning software, we develop financial projections into the future years and show clients what would happen if they do nothing and present them with alternative scenarios (e.g. increase their time horizon, lower their expenses, increase their earnings, etc.) to achieve their goals.

### Cash Flow Planning

We help clients fund their lifestyles. If need be, we assist them in paying bills, and reconciling bank accounts. For some clients, we do check-writing and monthly checkbook balancing. We do not have authorization over the accounts. We only print the checks. Only the clients have the authorization to sign the checks.

### Tax Planning

Affluent people take advantage of the many financial opportunities available to them. The rewards from such challenges are often eroded by taxes. We help navigate the tax quagmire and employ strategies to minimize its effects. Often, these financial opportunities involve multiple businesses and residences and a wide variety of taxable assets. Consequently, the tax returns are often complicated, involving multiple states and federal reporting schedules. It makes sense to have the people who are intimately knowledgeable about their clients' financial situation and expert on taxes prepare their return. Rutherford Asset Planning, Inc. prepares clients' tax returns, if the clients so choose. Or we work with clients' accountants and provide them with the clients' tax information

### Estate Planning

We help clients develop a comprehensive estate plan to provide for their family, safeguard their business interests and create a legacy that will survive their deaths. Such a plan must be both tax-efficient and flexible, which is a challenge as the rules are continually evolving. A misstep in estate tax planning can have onerous tax consequences down the line. Because it is so important, Rutherford Asset Planning, Inc. has developed in-house expertise in estate tax planning services. We monitor legislation on an ongoing basis and maintain the most up-to-date information. We work with clients in developing an estate plan and implementing the necessary personal and charitable trusts and foundations. We also help clients manage estate settlement and administration, relieving their families of a duty that requires experience and knowledge for which they may not be prepared.

### Philanthropy

Everyone wants his or her philanthropic dollars to be as effective as possible in every way. Sad to say, this is not as easy and straightforward as it should be. Rutherford Asset Planning, Inc.

helps clients develop their vision, research the charities that can be a part of that vision and put into place the structures that will make it happen. We can advise clients on grant-making decisions, planned giving and setting up donor-advised funds and foundations. We can manage endowments and attend to all compliance and governance issues. We will work with the clients to make sure the money they give away has the most positive impact possible. Philanthropy is not restricted to those with charitable intent. Sometimes, a charitable gifting strategy may result in the same financial benefit to oneself, but with the added bonus of fulfillment for having given to a cause. We help clients explore charitable gifting options to solve financial problems

#### *Catastrophic Event Planning*

We help clients mitigate the risks of illness, disability, premature death, property losses through natural causes or accidents, or personal liability with the use of insurance. We assist in finding the right insurance product and do not accept fees or commissions as a result of the sale of a product

#### *Other Specialists*

In areas outside of our areas of expertise, we help the clients find professional specialists.

#### *Comprehensive Financial Planning*

We help clients with all aspects of their financial situation. Under this service contract, we provide the client all of the services described above.

#### Amounts under Management

As of 1/1/2016, Rutherford Asset Planning, Inc. was actively managing \$151,104,520 of clients' assets on a discretionary basis.

### **Section 5 – Fees and Compensation**

All work is on a fee-only basis, computed according to our Fee Schedule. Sometimes, we quote fixed fees for a client engagement based on our estimate of the time required to do the work.

The following schedule is for all new clients and optional for current clients. Unless opted out or noted in the engagement agreement, the schedule of fees and services set forth in their executed engagement agreements will apply for current clients.

#### Fee Schedule

Investment Management Annual Fee is:

- 1.0% of the first \$3,000,000 of assets under management.
- 0.5% of assets under management above \$3,000,000

Fees are negotiable for clients with assets over \$3,000,000

Clients must have a minimum of \$1,000,000 of assets under management

Other Family Office Services Fee is:

- Determined based on the scope of the services and the complexity of each client's circumstances.

All fees are agreed upon prior to entering into a contract with any client.

For close family members of an existing client, the minimum requirements may be waived and the calculation of fees for assets under management may be aggregated.

Fees are invoiced in advance and payable quarterly at the beginning of each quarter. The fees are generally deducted from the clients' accounts. The engagement may be terminated by Rutherford Asset Planning, Inc. or the client 30 days after receipt of written notice to the other party. Excess fees collected beyond the termination date will be refunded.

When we manage client assets using individual stocks and bonds we act as the manager. When we use mutual funds, private money managers, or alternative investments, we oversee the manager. In this case our fee is in addition to the fees charged by the manager. All fees paid to Rutherford Asset Planning, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, ETFs, and/or partnerships to their shareholders. These fees and expenses are described in each fund's prospectus or partnership's private placement memorandum.

These fees will generally include a management fee, administrative and accounting expenses, and a possible distribution fee. Although we generally select funds or partnerships that have no loads, if the fund/partnership also imposes sales charges, a client may pay an initial or deferred sales charge. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

### **Item 6 – Performance-Based Fees and Side By Side Management**

Rutherford Asset Planning, Inc. does not charge performance-based fees.

### **Item 7 – Types of Clients**

Rutherford Asset Planning, Inc. generally provides investment advice to:

- Individuals
- Trusts, Estates, or Charitable Organizations
- Corporations or Other Business Entities not listed above

We have a minimum account size of \$1,000,000 for new clients.

## **Item 8 – Methods of Analysis, Sources of Information, and Investment Strategies**

### Portfolio Design

A well-constructed portfolio balances risk and reward. It seeks sustainable growth, creates income streams from a wide variety of sources, and diversifies the risks inherent in every financial instrument resulting in overall portfolio stability. A sensible investment strategy takes into account both sides of the balance sheet as well as income and expenses. Consideration is given to insurance concerns (life, health, disability, liability and property insurance); tax issues (income, property, long and short term capital gains and possibly corporate taxation) and anticipated business expansion and capital investment needs. The portfolio must anticipate cash flow requirements, both present and future. Portfolio design must also consider external influences on the portfolio, examples include: the state of the economy, inflation, and interest rates.

In the Portfolio Design process, we manage both risk and return goals. Our intent is to take no more risk than necessary to achieve a given target rate of return. We develop and update a series of hypothetical models that cover the range of the risk-return spectrum. The models become a basis for discussion with the client. The focus is on balancing tradeoffs about risk and return.

Integral to the portfolio design process is Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify investment categories, sometimes referred to as asset classes. When different asset classes are combined in a portfolio, the degree in which each category moves in sympathy with the others cancel each other out and helps minimize portfolio volatility. We follow several asset classes so as to have the best possible understanding of each asset class behavior.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

### Securities Selection

There are many financial products from which to choose when allocating assets for a client's portfolio. We apply skilled due diligence to make an objective, prudent, and diversified selection. We look for investments with favorable long-term track records, outstanding management, and logical business plans. We use the following Methods of Analysis to arrive at our Securities Selection:

#### *Fundamental Analysis*

We attempt to measure the intrinsic value of a security by looking at economic and financial factors. These include the overall economy, industry conditions, and the financial condition and management of the company itself. The objective is to determine if the company is underpriced, indicating it may be a good time to buy, or overpriced, indicating it may be time to sell, or neutral, indicating it may be best to just hold. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

#### *Technical Analysis*



We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

#### *Quantitative Analysis*

We use mathematical models in an attempt to obtain better measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. We also use mathematical models in our portfolio design process to optimize its return versus risk profile. The mathematical models measure the portfolio's expected return and volatility based on the return and volatility of each asset class and its correlation with the other asset classes. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

#### *Qualitative Analysis*

We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, investor behavior, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

#### *Mutual Fund and/or Exchange Traded Fund (ETF) Analysis*

Our manager selection is based on consistency of returns, risk management, expense and turnover ratios. We look at the experience and track record of the manager of the mutual fund or ETF to determine if that manager has demonstrated an ability to successfully invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding less suitable for the client's portfolio.

#### *Third-Party Money Manager Analysis*

We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to successfully invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks. A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, since we do not control the underlying investments in a third-party manager's portfolio, there is a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable

investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

#### *Alternative Investments*

We perform due diligence on alternative investments. We look at the credentials of the principals. We like to work with principals that we have known for many years and have knowledge of their business experience, personal backgrounds, work ethics, honesty, and integrity. We review the private placement memorandums, financial statements and the annual reports. We have numerous discussions with the principals to help us assess the viability of their offering. When time permits, we ask the principals to visit our offices and we arrange for prospective clients to attend their presentation and have the opportunity to directly talk to the principals and have their questions answered. As necessary, we visit the headquarters location and representative project sites. We continuously monitor the progress of the partnerships and have ongoing communications with the principals. We ask the principals to give periodic updates, at least semi-annually, but preferably quarterly.

A risk of investing in alternative investments is the lack of liquidity and lack of marketability. Investments are generally deployed for a set number of years, during which time there may be no cash flows. There is no readily available secondary market. Another risk of investing in private placements is that the general partner who has been successful in the past may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in the partnership, there is also a risk that a general partner may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the general partner's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

#### *Market Timing*

We believe that "timing the market" is most often counterproductive. We are aware that markets are not always efficient. We exploit opportunities created by emotional and illiquid conditions whenever it is possible and sensible to do so.

#### *Risks for all forms of analysis*

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities are providing accurate and unbiased data. Our quantitative analysis relies on software that may have incorrect assumptions or computational methods. While we are alert to indications that data may be incorrect and although we have exercised due diligence in vetting software products, there is always a risk that our analysis may be compromised by inaccurate or misleading information, and/or erroneous computations.

### **Item 9 – Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or a prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no disciplinary events to disclose.

### **Item 10 – Other Financial Industry Activities or Affiliations**

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Suzzette B. Rutherford, a principal of our firm, is an attorney licensed to practice law in the states of Florida, New York, Pennsylvania, New Jersey, and Connecticut. Rutherford Asset Planning, Inc. does not practice law and is not authorized to practice law. Legal services are offered through a separate law practice entity of Ms. Rutherford, and not through Rutherford Asset Planning, Inc.. Ms. Rutherford does not solicit Rutherford Asset Planning, Inc. clients for business for her law practice. When a client seeks Ms. Rutherford for legal work, the client is required to sign an engagement agreement that requires an affirmation from the client that such business was not solicited.

Ronald K. Rutherford's immediate family holds over 5% interest in American National Bank, a privately held traditional banking corporation, headquartered in Terrell, TX. Mr. Rutherford holds no position in the bank and Rutherford Asset Planning, Inc. has no business or professional association with the bank.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

As mandated by Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act"), our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics is based upon the principle that Rutherford Asset Planning, Inc. and its employees owe a fiduciary duty to our clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Our Code of Ethics is designed to ensure that the high ethical standards long maintained by Rutherford Asset Planning, Inc. continue to be applied. The purpose of the Code is designed, among other things, to govern personal securities trading activities in the accounts of employees and to preclude activities which may lead to or give the appearance of conflicts of interest and other forms of prohibited or unethical business conduct.

Pursuant to Section 206 of the Advisers Act, both Rutherford Asset Planning, Inc. and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the Rutherford

Asset Planning, Inc. has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

Rutherford Asset Planning, Inc. and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to obtain best execution for a client's transactions where the Firm is in a position to direct brokerage transactions for the client;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, Rutherford Asset Planning, Inc. expects every employee to demonstrate the highest standards of ethical conduct for continued employment with Rutherford Asset Planning, Inc. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with Rutherford Asset Planning, Inc. Employees are aware that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with Rutherford Asset Planning, Inc.

Rutherford Asset Planning, Inc.'s Code of Ethics prohibits insider trading. While we do not believe that we have any particular access to material non-public information, all employees are reminded that such information may not be used for their personal or professional benefit.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

Our Code of Ethics defines policies and procedures for the review of quarterly securities transaction reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering or an initial public offering.

We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.

We have established guidelines to our employees with respect to receiving gifts and entertainment, and protecting the privacy and confidentiality of client information.

Our code also provides for oversight, enforcement and recordkeeping provisions.

We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm. We have established policies requiring the reporting of Code of Ethics violations to our senior management.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to keith@rutherfordasset.com, or by calling us at 813-343-4501.

## **Item 12 – Brokerage Practices**

For most of our clients' accounts, we have the authority to determine what and how much securities to buy or sell. We trade by account. We do not do block trades.

Rutherford Asset Planning, Inc. uses Charles Schwab ("Schwab") and TD Ameritrade ("TDA") as custodians. We have a limited power of attorney to make trades in behalf of the client. The custodians provide access to all domestic securities transaction types together with over 1,000 open end mutual funds. The custodian provides us with the needed software to access and track client transactions and client security prices. We bring this information into our systems for detailed portfolio tracking. We reconcile our client database with that of the custodian database on a daily basis. We use these firms to minimize client costs. We do not share in any fees charged to the client by the custodian and do not receive any form of compensation from the custodian.

The clients make the decision as to which custodian to use. The clients are informed of the transaction costs charged by these custodians. The transactions costs of both custodians are roughly the same. The Custodian may change their transaction costs at any time. In the past, the trend has been towards the lowering of such costs. The Custodian also may discount transaction costs based on the size of the client account. The client will be charged the respective fees of the custodian they select to use. Both TDA and Schwab do not charge separately for custody.

We participate in the TD Ameritrade Institutional Services program and also in the Charles Schwab Institutional Services program. TD Ameritrade Institutional Services is a division of TD Ameritrade Investor Services, Inc., member NYSE/SIPC and is an unaffiliated SEC-registered broker-dealer and NASD member. Charles Schwab Institutional Services is a division of Charles Schwab & Co., member NYSE/SIPC and is an unaffiliated SEC-registered broker-dealer and NASD member. Both TDA and Schwab offer to independent investment advisors, services which include custody of securities, trade execution, clearance and settlement of transactions, access to client account data (such as trade confirmations and account statements).

Rutherford Asset Planning, Inc. has a duty to ensure best execution of trades for our clients. Trades are executed by the custodian that the client selected to use. This would be either Charles Schwab or TD Ameritrade. Rutherford Asset Planning, Inc. established a custodial relationship with Charles Schwab and TD Ameritrade based on their ability for best execution. Rutherford Asset Planning, Inc. periodically reviews the execution capabilities of Schwab and TDA and looks out for the availability of other custodians who may provide better execution.

Both Schwab and TDA direct customer orders in equity securities to exchanges and market makers based on an analysis of their ability to provide rapid and high quality execution. These market participants satisfy customer orders at a price equal to or better than the displayed national best bid/best offer. These market participants provide customer orders with the opportunity for price improvement and limit order protection. There are regular and rigorous order flow evaluations, in compliance with SEC Best Execution guidelines. Schwab and TDA have the duty to seek best execution reasonably

available to fill customer orders. Schwab and TDA both conduct regular and rigorous comparisons of execution quality from different markets and market centers.

It is worth noting that other considerations are also important in the selection of a custodian. Those items include (1) the reputation of the firm as measured by customer satisfaction, (2) the financial condition of the firm, (3) the quality and depth of its management and staff, (4) the plant and computer equipment resources deployed by the firm and (5) the degree to which the computer systems remain operational throughout the year for fulfillment of customer orders and to permit the advisor to fulfill their responsibility to the client.

Rutherford Asset Planning, Inc.'s participation in the TD Ameritrade Institutional Services program and the Charles Schwab Institutional Services program has no direct link between Rutherford Asset Planning, Inc.'s participation in these programs and the investment advice it gives to its clients. Rutherford Asset Planning, Inc. receives economic benefits through its participation in these programs that may not benefit its clients' accounts. These benefits include: receipt of duplicate client confirmations; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, technology, and practice management products or services provided to Advisor by third party vendors. These benefits received by Rutherford Asset Planning, Inc.'s do not depend on the amount of brokerage transactions directed to the custodian.

As part of its fiduciary duties to clients, Rutherford Asset Planning, Inc. endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Rutherford Asset Planning, Inc. in of itself creates a potential conflict of interest.

### **Item 13 – Review of Accounts**

#### **Investment Management**

**Reviews** - While the underlying securities within accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, and political or economic environment.

Investment accounts are reviewed by Ronald K. Rutherford, Keith A. Amburgey, and/or Suzzette B. Rutherford.

**Reports** - The client gets monthly reporting from the custodian and quarterly performance reporting from Rutherford Asset Planning, Inc. Our quarterly reports show asset allocation weighting, % return on investment for each holding, and overall portfolio return since inception, the last 12 months, and the last quarter. We also provide the client with an annual tax report.

## Other Family Office

**Reviews** - While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically formal reviews are conducted for Other Family Office services annually or upon a major change in the clients' circumstances.

**Reports** - The reports provided for Other Family Office Services vary depending on the nature and terms of the specific engagement (e.g. Goals Funding – Financial projections; Tax Preparation – Federal and State Tax returns for filing, etc.).

### **Item 14 – Client Referrals and Other Compensation**

Rutherford Asset Planning, Inc. does not engage solicitors or pay related or non-related persons for referring potential clients to our firm.

Rutherford Asset Planning, Inc. does not accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### **Item 15 – Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm generally directly debits advisory fees from client accounts. As part of this billing process, the clients are sent their invoices, together with a transactions report showing deposits and withdrawals during the previous quarter. The client is advised to review the billing statement which carries the following disclosure:

*“If you have given authorization, we will withdraw the fees from your account, otherwise, please send a check.*

*The calculation of your quarterly fee follows the formula as documented in your engagement agreement with RAP, as amended per subsequent discussions with you.*

*While we believe that our calculations are correct, we encourage you to verify the calculation and contact RAP if you do not agree with the fee.*

*Please contact RAP if there are any changes to your financial situation or investment objectives.*

*Form ADV Part II disclosure statement is available upon request.”*

We directly withdraw fees from client accounts using the back-office systems of our custodians. As part of the process, the custodian is provided with the amount of the fee to be deducted from each client's account.

The custodians that we use send clients monthly statements showing transactions within an account during the reporting period. Clients are encouraged to carefully compare the information provided on these custodial statements to ensure that all account transactions, holdings and values are correct and current and to reconcile them with what we report.

Our firm does not have actual or constructive custody of client accounts.

### **Item 16 – Investment Discretion**

Clients hire us to provide discretionary asset management services. They document this authorization by completing the limited power of attorney form for an account. Such authorizations allow us to place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to determine what security and how much of the security to buy or sell.

Clients give us discretionary authority when they sign a discretionary agreement with our firm. They may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions.

### **Item 17 – Voting Client Securities**

Rutherford Asset Planning, Inc. does not vote proxies on behalf of clients. Although our firm may provide investment advisory services relative to client investment assets, clients have the exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

### **Item 18 – Financial Information**

Since our firm maintains discretionary authority over client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Rutherford Asset Planning, Inc. has no such financial circumstances to report.

Since we do not require or solicit pre-payment of fees in excess of \$500 per client six months or more in advance, we are not required to include a financial statement in this brochure.

Rutherford Asset Planning, Inc. has not been the subject of a bankruptcy petition at any time during its years of existence.

### **Item 19 – Principals**

The firm's principal executive officers and managers are:

- Ronald K. Rutherford
- Suzette B. Rutherford
- Keith A. Amburgey

Detailed information about each of the firm's officers and managers is listed in the firm's brochure supplement, Part 2B of Form ADV.